

2011 Property Tax Report

Boone County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Boone County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Boone County

The average homeowner saw a 1.6% tax bill decrease from 2010 to 2011.

Homestead taxes in 2011 were 34.2% lower than they were in 2007, before the property tax reforms.

91.4% of homeowners saw lower tax bills in 2011 than in 2007.

53.3% of homeowners saw tax decreases of between 1% and 9% from 2010 to 2011.

The largest percentage of homeowners have seen between a 20% and 49% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	4,955	36.9%	1,138	8.5%
No Change	586	4.4%	20	0.1%
Lower Tax Bill	7,881	58.7%	12,264	91.4%
Average Change in Tax Bill	-1.6%		-34.2%	
Detailed Change in Tax Bill				
20% or More	246	1.8%	671	5.0%
10% to 19%	504	3.8%	157	1.2%
1% to 9%	4,205	31.3%	310	2.3%
0%	586	4.4%	20	0.1%
-1% to -9%	7,160	53.3%	681	5.1%
-10% to -19%	493	3.7%	1,779	13.3%
-20% to -29%	112	0.8%	2,981	22.2%
-30% to -39%	43	0.3%	2,974	22.2%
-40% to -49%	22	0.2%	2,768	20.6%
-50% to -59%	10	0.1%	696	5.2%
-60% to -69%	9	0.1%	127	0.9%
-70% to -79%	8	0.1%	81	0.6%
-80% to -89%	5	0.0%	58	0.4%
-90% to -99%	6	0.0%	46	0.3%
-100%	13	0.1%	73	0.5%
Total	13,422	100.0%	13,422	100.0%

Note: Percentages may not total due to rounding.

★★★★★
 THE TAX CAPS PREVENTED
 AN INCREASE IN HOMESTEAD
 TAX BILLS
 ★★★★★

Homestead Property Taxes

Homestead property taxes decreased 1.6% on average in Boone County in 2011. This was less than the state average increase of 4.4%. Boone County homestead taxes were 34.2% lower in 2011 than they were in 2007, before the big tax reform. Tax rates increased slightly, and the state homestead credit was phased out. The credit had been 3.4% in 2010. These factors work to increase homestead tax bills. The average homestead tax decrease was due to the tax caps. High home values mean that many homeowners are eligible for tax cap credits even at Boone's relatively low tax rates. The share of homeowners receiving tax cap credits increased from 27.1% in 2010 to 33.4% in 2011. Boone County has no local homestead credits, so declining local income tax revenue had no effect on homestead property taxes.

Tax Rates

Property tax rates increased in about half of Boone County tax districts. The average tax rate increased slightly, by 1.1%, because of a small levy increase and a small net assessed value decrease. Levies in Boone County increased by 0.4%. The biggest levy increases were for a Lebanon City sewer bond levy, a Whitestown highway levy, and a Zionsville Town fire protection levy. The biggest levy decreases were for Zionsville and Lebanon School Corporation debt service levies. Boone County's total net assessed value decreased 0.6% in 2011. Business and agricultural net assessments increased by about 2.5%. Homestead assessments fell 2.7%, and apartment assessments fell 4.7%. Other residential net AV grew by 0.6%.

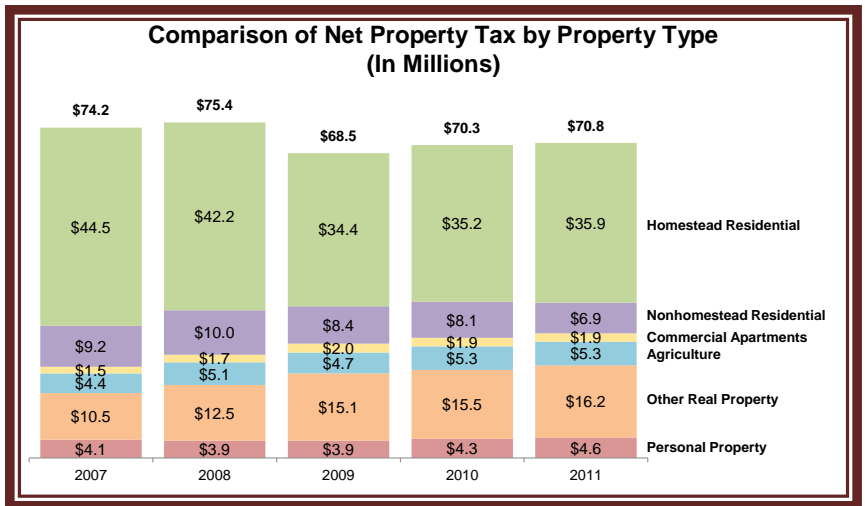
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*A BIG DECREASE IN TAX BILLS FOR
NONHOMESTEAD RESIDENTIAL PROPERTY;
SMALL CHANGES FOR OTHER PROPERTY*

★★★★★★

Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 0.7% in Boone County in 2011, less than the statewide increase of 2.8%. Nonhomestead residential property, which includes smaller rentals and second homes, saw net tax bills decrease by 15.1%. This was partly due to an increase in tax cap credits for this property. Tax bills for commercial apartments fell 1.1%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment – rose by 5.1%, due to higher assessments and tax rate increases. Tax rates in rural areas fell in Boone, so agricultural tax bills decreased 0.6%. This occurred despite the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS INCREASED IN 2011,
MAINLY DUE TO THE PHASEOUT OF THE
STATE HOMESTEAD CREDIT*

★★★★★★

Total tax cap credit losses in Boone County were \$4.0 million, or 5.4% of the levy. This was less than the state average loss rate of 9.2%, but above the median value of 3.8% among all counties. Tax rates are less than the state median in Boone County, but home values are so high that a large number of homesteads are eligible for tax cap credits.

Almost 90% of total tax cap credits were in the 1% homestead category; almost all of the rest were in the 2% nonhomestead residential and farmland category. The largest percentage losses were in Whitestown and Zionsville, in the Zionsville School Corporation, and the Hussey-Mayfield Library. Tax rates are above \$2 per \$100 assessed value in these tax districts, high enough to make a typical house valued at \$200,000 or above eligible for tax cap credits. There are many such homes in Boone County. By far the largest dollar losses were in the Zionsville School Corporation.

Boone County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$2,257,511	\$359,072	\$0	\$5,174	\$2,621,757	3.6%
2011 Tax Cap Credits	3,522,245	509,775	0	4,609	4,036,629	5.4%
Change	\$1,264,734	\$150,703	\$0	-\$565	\$1,414,872	1.8%

Tax cap credits rose substantially in Boone County in 2011, by \$1.4 million, or 54%.

The additional credits represent an added loss of 1.8% of the total tax levy. Almost all of the increase in tax cap credits was in the 1% tax cap category, which covers homesteads. The elimination of the state homestead credit caused much of the 1% tax cap credit increase. Homeowner tax bills increased, and a large number of homeowners are eligible for credits in Boone.

The Effect of Recession

The 2009 recession affected Boone County through a drop in homestead assessments for pay-2011. Homesteads are by far the largest share of Boone's tax base. Increases in other property categories offset this decline, but the overall gross assessment change showed only a small increase, and the net assessment total fell.

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*2009 RECESSION REDUCED BOONE
COUNTY HOMESTEAD ASSESSMENTS*

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$4,038,087,670	\$4,006,845,250	-0.8%	\$2,231,354,715	\$2,171,293,824	-2.7%
Other Residential	370,362,800	374,546,900	1.1%	369,243,610	371,554,310	0.6%
Ag Business/Land	349,684,200	358,175,900	2.4%	349,025,200	357,589,730	2.5%
Business Real/Personal	1,289,042,338	1,339,498,720	3.9%	969,526,623	993,331,705	2.5%
Total	\$6,047,177,008	\$6,079,066,770	0.5%	\$3,919,150,148	\$3,893,769,569	-0.6%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Boone County Levy Comparison by Taxing Unit

Taxing Unit						% Change			
	2007	2008	2009	2010	2011	2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
<i>County Total</i>	<i>85,818,368</i>	<i>93,479,518</i>	<i>64,899,215</i>	<i>68,490,068</i>	<i>68,744,707</i>	<i>8.9%</i>	<i>-30.6%</i>	<i>5.5%</i>	<i>0.4%</i>
State Unit	93,351	103,344	0	0	0	10.7%	-100.0%		
Boone County	9,128,985	8,810,017	7,433,881	7,713,643	7,842,743	-3.5%	-15.6%	3.8%	1.7%
Center Township	432,395	694,118	623,601	485,609	497,810	60.5%	-10.2%	-22.1%	2.5%
Clinton Township	12,957	13,382	13,942	14,456	14,789	3.3%	4.2%	3.7%	2.3%
Eagle Township	20,269	20,651	20,480	0	0	1.9%	-0.8%	-100.0%	
Harrison Township	9,014	9,298	9,651	9,983	10,189	3.2%	3.8%	3.4%	2.1%
Jackson Township	33,180	33,819	35,508	37,035	38,041	1.9%	5.0%	4.3%	2.7%
Jefferson Township	16,267	16,550	17,397	17,941	18,467	1.7%	5.1%	3.1%	2.9%
Marion Township	12,832	13,219	13,762	14,174	20,219	3.0%	4.1%	3.0%	42.6%
Perry Township	43,317	45,368	44,812	39,503	39,228	4.7%	-1.2%	-11.8%	-0.7%
Sugar Creek Township	55,607	57,693	58,865	60,596	62,270	3.8%	2.0%	2.9%	2.8%
Union Township	67,064	384,768	154,959	0	0	473.7%	-59.7%	-100.0%	
Washington Township	11,945	11,841	12,726	13,178	13,049	-0.9%	7.5%	3.6%	-1.0%
Worth Township	117,370	395,804	464,185	309,239	312,982	237.2%	17.3%	-33.4%	1.2%
Lebanon Civil City	3,346,018	3,243,870	3,451,794	3,808,345	4,291,070	-3.1%	6.4%	10.3%	12.7%
Advance Civil Town	82,437	85,372	88,176	91,351	93,740	3.6%	3.3%	3.6%	2.6%
Jamestown Civil Town	90,433	99,586	81,420	96,351	98,158	10.1%	-18.2%	18.3%	1.9%
Thorntown Civil Town	143,084	149,671	153,449	158,951	162,613	4.6%	2.5%	3.6%	2.3%
Ulen Civil Town	32,383	32,981	33,824	35,271	36,129	1.8%	2.6%	4.3%	2.4%
Whitestown Civil Town	293,339	358,802	1,147,225	2,378,436	3,106,988	22.3%	219.7%	107.3%	30.6%
Zionsville Civil Town	7,588,735	7,323,983	7,712,052	6,689,330	7,368,300	-3.5%	5.3%	-13.3%	10.2%
Western Boone County School Corporation	7,015,206	7,631,443	4,336,659	5,640,140	5,342,179	8.8%	-43.2%	30.1%	-5.3%
Zionsville Community School Corporation	36,062,871	41,790,297	22,811,276	25,304,338	24,630,883	15.9%	-45.4%	10.9%	-2.7%
Lebanon Community School Corporation	17,148,797	18,163,165	12,476,740	11,861,375	11,068,880	5.9%	-31.3%	-4.9%	-6.7%
Sheridan Community Schools	1,260,087	1,414,766	914,340	1,023,464	1,127,280	12.3%	-35.4%	11.9%	10.1%
Lebanon Public Library	1,053,234	952,040	1,171,686	1,014,538	958,185	-9.6%	23.1%	-13.4%	-5.6%
Thorntown Public Library	356,326	349,781	305,679	431,971	334,884	-1.8%	-12.6%	41.3%	-22.5%
Hussey - Mayfield Memorial Library	1,243,999	1,203,354	1,238,162	1,240,850	1,255,631	-3.3%	2.9%	0.2%	1.2%
Boone County Solid Waste Mgt. District	0	0	0	0	0				
City of Lebanon Redevelopment	0	0	0	0	0				
Zionsville Redevelopment Commission	46,866	70,535	72,964	0	0	50.5%	3.4%	-100.0%	
Boone County Redevelopment Commission	0	0	0	0	0				

Boone County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
06001	Center Township	1.6213	--	--	--	--	--	--	1.6213
06002	Lebanon City	2.1136	--	--	--	--	--	--	2.1136
06003	Ulen Town	1.8472	--	--	--	--	--	--	1.8472
06004	Clinton Township	1.2745	--	--	--	--	--	--	1.2745
06005	Eagle Township	1.7628	--	--	--	--	--	--	1.7628
06006	Zionsville Town	2.0835	--	--	--	--	--	--	2.0835
06007	Harrison Township	1.2711	--	--	--	--	--	--	1.2711
06008	Jackson Township	1.2889	--	--	--	--	--	--	1.2889
06009	Advance Town	2.4723	--	--	--	--	--	--	2.4723
06010	Jamestown Town	1.7459	--	--	--	--	--	--	1.7459
06011	Jefferson Township	1.3908	--	--	--	--	--	--	1.3908
06012	Marion Township	1.3367	--	--	--	--	--	--	1.3367
06013	Perry Township	1.3505	--	--	--	--	--	--	1.3505
06014	Sugar Creek Township	1.4627	--	--	--	--	--	--	1.4627
06015	Thorntown Town	1.8639	--	--	--	--	--	--	1.8639
06016	Union Township	1.8402	--	--	--	--	--	--	1.8402
06017	Washington Township	1.3867	--	--	--	--	--	--	1.3867
06018	Worth Township	1.8159	--	--	--	--	--	--	1.8159
06019	Whitestown Town	2.6135	--	--	--	--	--	--	2.6135
06020	Whitestown - Perry	2.6062	--	--	--	--	--	--	2.6062
06021	Whitestown - Eagle	2.8676	--	--	--	--	--	--	2.8676
06024	Whitestown - (TIF Memo Only)	1.3110	--	--	--	--	--	--	1.3110
06025	Whitestown - Eagle (TIF Memo Only)	1.3110	--	--	--	--	--	--	1.3110
06026	Whitestown - Perry #2 (TIF Memo Only)	1.3110	--	--	--	--	--	--	1.3110
06027	Lebanon-Perry	1.9683	--	--	--	--	--	--	1.9683
06028	Lebanon-Perry (TIF Memo Only)	0.6731	--	--	--	--	--	--	0.6731

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Boone County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	3,522,039	499,281	0	4,609	4,025,930	68,744,707	5.9%
<i>TIF Total</i>	206	10,494	0	0	10,699	5,433,149	0.2%
<i>County Total</i>	3,522,245	509,775	0	4,609	4,036,629	74,177,856	5.4%
Boone County	369,093	45,971	0	531	415,596	7,842,743	5.3%
Center Township	1,127	1,805	0	28	2,960	497,810	0.6%
Clinton Township	0	0	0	1	1	14,789	0.0%
Eagle Township	0	0	0	0	0	0	
Harrison Township	0	0	0	4	4	10,189	0.0%
Jackson Township	13	70	0	3	86	38,041	0.2%
Jefferson Township	0	0	0	1	1	18,467	0.0%
Marion Township	0	0	0	2	2	20,219	0.0%
Perry Township	35	68	0	0	103	39,228	0.3%
Sugar Creek Township	0	0	0	12	12	62,270	0.0%
Union Township	0	0	0	0	0	0	
Washington Township	0	0	0	3	3	13,049	0.0%
Worth Township	3,122	382	0	20	3,524	312,982	1.1%
Lebanon Civil City	25,712	42,343	0	651	68,705	4,291,070	1.6%
Advance Civil Town	1,090	6,009	0	132	7,230	93,740	7.7%
Jamestown Civil Town	0	0	0	39	39	98,158	0.0%
Thorntown Civil Town	0	0	0	155	155	162,613	0.1%
Ulen Civil Town	654	0	0	0	654	36,129	1.8%
Whitestown Civil Town	210,596	114,092	0	202	324,889	3,106,988	10.5%
Zionsville Civil Town	672,356	29,181	0	37	701,575	7,368,300	9.5%
Western Boone County School Corporation	933	5,146	0	1,104	7,184	5,342,179	0.1%
Zionsville Community School Corporation	2,027,173	126,944	0	155	2,154,272	24,630,883	8.7%
Lebanon Community School Corporation	102,006	113,124	0	1,238	216,367	11,068,880	2.0%
Sheridan Community Schools	0	0	0	92	92	1,127,280	0.0%
Lebanon Public Library	4,789	7,675	0	118	12,582	958,185	1.3%
Thorntown Public Library	0	0	0	75	75	334,884	0.0%
Hussey - Mayfield Memorial Library	103,341	6,471	0	8	109,820	1,255,631	8.7%
Boone County Solid Waste Mgt. District	0	0	0	0	0	0	
City of Lebanon Redevelopment	0	0	0	0	0	0	
Zionsville Redevelopment Commission	0	0	0	0	0	0	
Boone County Redevelopment Commission	0	0	0	0	0	0	
TIF - Eagle Township 96Th St	0	0	0	0	0	442,924	0.0%
TIF - Eagle Township I-65 E	0	0	0	0	0	51,156	0.0%
TIF - Whitestown-Eagle I-65 E (Mo)	0	6,743	0	0	6,743	1,080,530	0.6%
TIF - Whitestown-Perry I-65 (Mo)	0	229	0	0	229	18,858	1.2%
TIF - Whitestown I-65 E #2 (Mo)	0	642	0	0	642	224,835	0.3%
TIF - Worth I-65 E #2	0	0	0	0	0	1,900	0.0%
TIF - Whitestown I-65 E #2 Medco	0	0	0	0	0	44,386	0.0%
TIF - Whitestown-Perry EDA #3 (Mo)	0	1,417	0	0	1,417	8,479	16.7%
TIF - Whitestown EDA #3 (Mo)	0	223	0	0	223	952	23.5%
TIF - Eagle Township I-65 West	0	0	0	0	0	3,327	0.0%
TIF - Whitestown-Eagle I-65 W (Mo)	0	345	0	0	345	27,663	1.2%
TIF - Perry Township I-65 W	0	0	0	0	0	2,777	0.0%
TIF - Whitestown-Perry I-65 W (Mo)	0	0	0	0	0	0	
TIF - Lebanon-Perry I-65 W	0	0	0	0	0	409	0.0%
TIF - Lebanon EDA	0	77	0	0	77	1,265,723	0.0%
TIF - Lebanon Expansion	0	72	0	0	72	1,504	4.8%
TIF - Zionsville EDA	206	705	0	0	911	1,311,250	0.1%
TIF - Whitestown-Indust Pk	0	0	0	0	0	376,708	0.0%
TIF - Whitestown-Perry Ind Pk	0	33	0	0	33	569,736	0.0%
TIF - Whitestown 334-700 EDA 1	0	8	0	0	8	32	23.3%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.